

Message Text

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12

ACTION EUR-12

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TO SECSTATE WASHDC PRIORITY 4522

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

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USCINCEUR VAIHINGEN GER

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E.O. 11652: XGDS-4

TAGS: PINT, PO

SUBJECT: SA CARNEIRO'S RETURN TO PPD

REFS: (A) OPORTO 236 DTG 301415Z SEP 75

(B) LISBON 5655 DTG 251529Z SEP 75

(C) LISBON A-207

SUMMARY: SA CARNEIRO HAS RESUMED SECRETARY-GENERALSHIP OF THE PPD WITH REINFORCED AUTHORITY AND SUPPORT OF MOST ELEMENTS OF THE PARTY. HE HAS SHOWN AN UNDERSTANDING OF NEED TO WORK WITH SOCIALISTS AND MODERATE MILITARY TO OVERCOME POLITICAL CRISIS.

SA CARNEIRO AND PPD LEADERS EXPRESSED INTENSE DISTRUST OF COMM-UNISTS' EFFORTS AND HIGHLIGHTED PCP TAKEOVER OF LARGE SECTION OF

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PORUGAL'S BREADBASKET. END SUMMARY.

1. THE NATIONAL COUNCIL MEETING OF THE POPULAR DEMOCRATIC PARTY (PARTIDO POPULAR DEMOCRATICO -- PPD) IN OPORTO REINSTALLED FRANCISCO SA CARNEIRO AS SECRETARY-GENERAL BY AN OVERWHELMING 134 TO 18 VOTE, WITH 9 ABSTENTIONS AND 70 ABSENT. SA CARNEIRO RECENTLY RETURNED FROM A SIX MONTH CONVALESCENCE SPENT IN ENGLAND AND SPAIN. HE HAD SUFFERED FROM THE COMPLICATIONS FOLLOWING A SEVERE AUTO ACCIDENT PRIOR TO APRIL 1974. THE COUNCIL DECIDED THAT THE PARTY'S SECOND NATIONAL CONGRESS WOULD TAKE PLACE NOT LATER THAN DECEMBER 7, PROBABLY AT THE END OF NOVEMBER AT WHICH TIME SA CARNEIRO WILL REQUEST NEW VOTE ON SECRETARY-GENERAL. SA CARNEIRO WAS QUESTIONED INTENSIVELY AT THE COUNCIL MEETING REGARDING HIS WILLINGNESS TO WORK WITH THE ARMED FORCES MOVEMENT IN VIEW OF HIS RECENT STATEMENT THAT THE MILITARY SHOULD RETURN TO THE BARRACKS (REF C). HE WAS ALSO QUESTIONED REGARDING HIS REPORTED MOVE TO THE RIGHT DURING HIS SIX-MONTH ABSENCE. ONLY SECRETARY-GENERAL GUERREIRO AND A FEW SUPPORTERS MOUNTED A CHALLENGE TO SA CARNEIRO'S RETURN. SA CARNEIRO SOUGHT AND RECEIVED FROM NATIONAL COUNCIL REINFORCED AUTHORITY FOR THE SECRETARIAT OF THE PARTY.

2. DURING SEPT 30 MEETING WITH DEPUTY ASSISTANT SECRETARY LAINGEN AND AMBASSADOR, SA CARNEIRO APPEARED FIT AND HEALTHY. HE WAS SHOWN FULL DEFERENCE BY OTHER PPD LEADERS PRESENT, INCLUDING DEPUTY SECRETARY-GENERAL RUI MACHETE AND EXPRESSO EDITOR FRANCISCO BALSEMAO. SA CARNEIRO EXPRESSED WILLINGNESS TO WORK WITH MODERATE MILITARY AND THE SOCIALIST PARTY. SA CARNEIRO FELT THAT THE CURRENT CRISIS OF AUTHORITY WAS THE MOST SEVERE PROBLEM PORTUGAL HAS FACED SINCE REVOLUTION, SURPASSING EVEN THE MANY CRISES OF THE FIFTH GOVERNMENT. HE STATED THAT NO PORTUGUESE GOVERNMENT WOULD BE ABLE TO SUCCEED IN RESTORING ORDER UNTIL THE COMMUNISTS WERE TOTALLY OUT OF THE GOVERNMENT. SA CARNEIRO AND OTHER PPD LEADERS MADE NO DISTINCTION BETWEEN ACTIVITIES OF COMMUNIST PARTY AND OTHER FAR LEFT GROUPS. THEY FELT THAT THE COMMUNISTS WERE ATTEMPTING TO DESTROY THE SIXTH GOVERNMENT BY AGGRAVATING THE POLITICAL-MILITARY CRISIS, BY ENCOURAGING MILITARY DISSIDENTS, AND BY SECURING CONTROL OF THE LARGE PART OF THE ALENTEJO REGION (PORTUGAL'S BREAD BASKET) THROUGH LAND OCCUPATIONS.

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3. SA CARNEIRO DEFINED PPD'S PHILOSOPHY OF SOCIAL DEMOCRACY AS PROGRESS TOWARD SOCIALISM IN ACCORD WITH THE WILL OF THE PEOPLE, WITHOUT REFERENCE TO MARXIST PRECEPTS. HE SAID THAT THE PPD WOULD PREFER TO ROLL BACK A NUMBER OF UNNECESSARY AND ECONOMICALLY DAMAGING NATIONALIZATIONS. HE FELT THAT THE STATE SHOULD ONLY NATIONALIZE INDUSTRIES SUCH AS STEEL PRODUCTION, FOR WHICH THE SIZE OF PORTUGUESE ECONOMY COULD JUSTIFY ONLY A SINGLE ENTERPRISE AND THOSE IN WHICH THE STATE HAD A CLEAR

INTEREST IN PROVIDING NATIONAL SERVICES SUCH AS HEALTH AND TRANSPORT.

4. PPD LEADERS STATED THAT THE COMMUNISTS HAD ALREADY SEIZED A LARGE PART OF ALENTEJO LAND AREA THROUGH ILLEGAL LAND OCCUPATIONS. BALSEMAO SAID THAT THE COMMUNIST OFFENSIVE FOR CONTINUED LAND DISTRIBUTION IN THE ALENTEJO WAS AN ATTEMPT TO GAIN COMPLETE PHYSICAL CONTROL OF THE REGION. HE FELT THAT COMMUNIST GAINS IN THE ALENTEJO COULD BE SET BACK BY GOVERNMENT REFUSAL TO EXTEND CREDIT TO ILLEGALLY OCCUPIED FARMS. PPD LEADERS BELIEVED THAT SOUTHERN REGION MILITARY COMMANDER, BRIGADIER PEZARAR CORREIA (AN ANTUNES SUPPORTER) LACKED CONTROL OF THE TROOPS.

5. A PPD COMMUNIQUE OF OCT 1 DEMONSTRATED THE CONTINUING RIVALRY BETWEEN THE SOCIALISTS AND THE PPD, EVEN AS THE TWO PARTIES COOPERATE. THE PPD SAID IT HAD PARTICIPATED IN THE SEPT 30 SOCIALIST RALLY IN LISBON AT THE INVITATION OF MARIO SOARES, BUT THAT SOCIALIST LEADERS REFUSED TO ALLOW SA CARNEIRO TO ADDRESS THE RALLY DESPITE THE INVITATION OF PRIME MINSTER AZEVEDO. WHILE FACTS OF THIS INCIDENT ARE IN DISPUTE, MANY SOCIALISTS DISTRUST SA CARNEIRO, WHO THEY FEAR IS TOO CONSERVATIVE FOR THE PS TO WORK WITH.

6. COMMENT: SA CARNEIRO DEMONSTRATED MORE REALISM, BOTH IN THE NATIONAL COUNCIL AND IN HIS MEETING WITH US, THAN SOME OF HIS RECENT PUBLIC STATEMENTS WOULD INDICATE. THE PPD'S LEFT WING MADE NO SERIOUS ATTEMPT TO OPPOSE HIM, AND SA BORGES, LEADER OF THE LEFT WING, DID NOT EVEN SHOW UP IN OPORTO. ONLY GUERREIRO AND A FEW SUPPORTERS MADE AN INEPT ATTEMPT TO OPPOSE SA CARNEIRO'S RETURN. ALTHOUGH SA CARNEIRO CONTINUES TO EMPHASIZE THE DISTINCTION BETWEEN PPD AND SOCIALIST PARTY, PARTICULARLY THEIR DIFFERENT APPROACHES TO THE ECONOMY, HE HAS APPARENTLY DECIDED TO WORK CLOSELY WITH OTHER DEMOCRATIC FORCES DURING MOMENTS OF POLITICAL

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CRISES AND PROVOCATION BY THE COMMUNISTS AND FAR LEFT. ALTHOUGH SA CARNEIRO HAS MORE CONSERVATIVE ECONOMIC VIEWS THAN GUERREIRO AND IS MORE RELUCTANT TO WORK WITH THE COMMUNISTS, HE DEMONSTRATED AN UNDERSTANDING OF NEED TO MAKE SIXTH GOVERNMENT WORK.

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